

MEMORANDUM

TO: R. Michael Banish
President, Faculty Senate

FROM: Robert A. Altenkirch 
President

Christine W. Curtis 
Provost and Vice President for Academic Affairs

SUBJECT: Response to Faculty Senate Recommendations Regarding the "Signatory Authority and Approval Process Policy for the Division of Academic Affairs"

DATE: June 29, 2017

The Faculty Senate made three recommendations regarding the "Signatory Authority and Approval Process Policy for the Division of Academic Affairs." We accepted two of the recommendations which are:

- (1) The removal of the statement, "The provost, deans and directors may at their discretion choose to set the limit for a second signature at a lower amount."
- (2) The acceptance of the statement, "Dispute resolution will follow the academic administrative sequence for such instances."

The Faculty Senate recommended a dollar limit of \$5,000 because that is the dollar amount where capital equipment is documented and inventoried. Policy 06.04.04 UAH Business Services Policy and Procedures Manual states that capital equipment, defined as "an item of movable, non-expendable, and tangible property" with a "useful life of more than one year and a cost or value of \$5,000 or more," must be inventoried. The Business Services Policy and Procedures Manual also states that "the University tracks and maintains fixed asset database records on designated University purchased non-capital equipment." These non-capital equipment items are delineated as

- Computers and computer equipment costing \$1,000 to \$4,999.99
- Audio-visual equipment costing \$1,000 to 4,999.99
- Other equipment costing \$1,000 to \$4,999.99

Academic Affairs faculty and staff are frequent purchasers of non-capital equipment items such as computers and computer equipment requiring tracking in the fixed asset database. The sources of the funding for these non-capital equipment items are from a variety of funding sources, ranging from state Ledger 2, Ledger 3 to Ledger 6 accounts. The dollar amount that requires tracking for above non-capital equipment is \$1,000. The amount of \$1,000 then becomes appropriate as the dollar limit for the "Signatory Authority and Approval Process Policy for the Division of Academic Affairs."

This purpose of this policy is to ensure appropriate fiscal oversight for expenditures of \$1,000 and higher in Academic Affairs. The approval process is good fiscal practice and provides protection for the individuals involved in the transaction and for the institution. In accordance with the dollar amounts established in Policy 06.04.04 for tracking of non-capital equipment in the fixed asset system, a dollar amount of \$1,000 for a transaction is an appropriate amount required for the signature approval.

We thank the Faculty Senate for its careful consideration and review this policy. The Signatory Authority and Approval Process Policy for the Division of Academic Affairs is attached.